

# Corporate Plan 2018-19



2018-19 to 2021-22



Marry Me, Marry My Family



Little J & Big Cuz

# Contents

<b>Opening Statement (Statement of Preparation)</b>	<b>5</b>
<b>Our Purpose</b>	<b>7</b>
<b>External Environment</b>	<b>9</b>
Social and Demographic Influences	9
Regulatory Influence	10
Market Influences	12
Financial Context	14
<b>Planned Performance</b>	<b>17</b>
Significant Activities	17
1. Content Creation, Acquisition and Curation	19
2. Content Broadcast, Technology and Transmission	21
3. Content Commercialisation	22
4. Content Support Activities	24
<b>Summary Financial Performance</b>	<b>27</b>
<b>Capabilities</b>	<b>29</b>
People	29
Technology	30
<b>Risk Management</b>	<b>33</b>
<b>Appendices</b>	<b>36</b>
Appendix 1: The SBS Charter	36
Appendix 2: Role and Duty of the SBS Board	36
Appendix 3: Community Consultation Measures	37



Jessica Mauboy, Eurovision 2018

# Opening Statement (Statement of Preparation)

I, as the head of the accountable authority of the Special Broadcasting Service Corporation present the 2018-19 SBS Corporate Plan for the period 2018-19 to 2021-22, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* and under section 48 of the *Special Broadcasting Service Act 1991*.

The plan is prepared in accordance with the *Public Governance, Performance and Accountability Rule 2014*.



**Dr Bulet Hass Della AO**

Chairman

Special Broadcasting Service



**"SBS inspires all Australians to explore, respect and celebrate our diverse world and in doing so, contributes to a cohesive society."**

Grace Beside Me

# Our Purpose

***“SBS inspires all Australians to explore, respect and celebrate our diverse world and in doing so, contributes to a cohesive society.”***

As described in our Charter, the principal function of SBS is to provide multilingual and multicultural radio, television and digital media services that inform, educate and entertain all Australians, and, in doing so, reflect Australia's multicultural society.

SBS was established to positively contribute to Australian social outcomes, recognising we are a nation built on immigration. For over 40 years, SBS has been recognised for its contribution to Australia's success as a multicultural society.

SBS contributes to the ongoing development of a vibrant and cohesive multicultural society by providing a holistic suite of multilingual and multicultural radio, television (TV) and more recently, digital media programs and services that inform, educate and entertain all Australians. In doing so, SBS distinctly reflects Australia's Aboriginal and Torres Strait Islander cultures and multicultural society. Through delivery of its content and services, SBS helps migrants understand and appreciate Australian values, whilst helping all Australians to better understand each other and our many cultures, to aid social cohesion.

Our goal in delivering on our purpose and our Charter in the upcoming years will include a continued focus on building a distinctive network across both traditional and digital platforms, to allow a diverse array of views and voices to be represented in mainstream media. SBS also continues to provide unique services that support migrant and Indigenous communities and promote the benefits of diversity to all Australians, at a time when inspiring a greater understanding of the value of multiculturalism has never been more important.

Maintaining Australia as a healthy, vibrant, diverse yet highly cohesive society is key to our future success as a nation.



Muslims Like Us

# External Environment

## Social and Demographic Influences

Migration has always played an important role in Australia's cultural identity. Australia's success as a multicultural nation welcoming people from diverse ethnic backgrounds has encouraged waves of new migrants over the course of history. Many of the opportunities and challenges faced today by a multicultural society are no different to what they were some 40 years ago.

For the 12 months ending 31 December 2017 Australia's population increased by 388,000 people, 62 percent of which was attributed to net overseas migration<sup>1</sup>. The cultural and linguistic diversity of Australia's resident population has been reshaped over many years by migration. While historically Europeans made up the majority of immigration, today there is significant migration from Asia, particularly China, India and the Philippines as well as other areas such as Africa. In 2016, more than one-fifth of Australians spoke a language other than English at home<sup>2</sup>.

As a result of the enduring success of Australia's immigration policies, a significant proportion of Australia's population are second generation migrants. In 2016, 21 percent of the population identified as being a second generation Australian, having at least one parent born overseas<sup>3</sup>. When combined with first generation Australians, nearly half (49 percent) of all Australians were either born overseas or had at least one parent who was born overseas.

Despite the increasing proportion of the population coming from Culturally and Linguistically Diverse (CALD) backgrounds, including those who are second or third generation migrants, these communities and their voices remain largely under-represented in today's media<sup>4</sup>.

As Australia opened its doors to migration, our attitudes towards different ethnicities and multiculturalism have changed for the better. Since 2007, the Scanlon Foundation has released the *Mapping Social Cohesion* report, which measures Australia's progress against key social cohesion indicators.

The 2017 survey once again showed low levels of concern over immigration levels and strong levels of positive identification towards Australia:

- 92 percent of respondents indicated that they have a 'sense of belonging in Australia'.
- 85 percent of respondents agreed that multiculturalism has been good for Australia.
- 60 percent of respondents also agreed that we should do more to learn about the customs and heritage of different ethnic and cultural groups<sup>5</sup>.

However, we cannot take social cohesion for granted – 20 percent of respondents in 2017 indicated that they had experienced discrimination in Australia in the past 12 months because of their skin colour, ethnic origin or religion – the same result as in 2016 and an increase from 15 percent in 2015.

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1 Australian Bureau of Statistics (2018), 3101.0 - *Australian Demographic Statistics*, Dec 2017, accessed 6 August 2018, retrieved from: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3101.0>

2 Australian Bureau of Statistics (2017), 2071.0 - *Census of Population and Housing: Reflecting Australia - Stories from the Census*, 2016, accessed 6 August 2018, retrieved from: <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/2071.0~2016~Main%20Features~Cultural%20Diversity%20Article~60>

3 ibid

4 Screen Australia (2016), *Seeing ourselves: Reflections on diversity in Australian TV drama*, accessed 6 August 2018, retrieved from: <https://www.screenaustralia.gov.au/getmedia/157b05b4-255a-47b4-bd8b-9f715555fb44/TV-Drama-Diversity.pdf>

5 The Scanlon Foundation (2017), *Mapping Social Cohesion* 2017, accessed 6 August 2018, retrieved from: [http://scanlonfoundation.org.au/wp-content/uploads/2014/05/ScanlonFoundation\\_MappingSocialCohesion\\_2017.pdf](http://scanlonfoundation.org.au/wp-content/uploads/2014/05/ScanlonFoundation_MappingSocialCohesion_2017.pdf)

# External Environment (cont)

SBS was established over 40 years ago to ensure that Australia's growing migrant population was provided with vital community information to support engagement with Australian society and increase social cohesion. Today, this role has broadened to ensure that migrant, Aboriginal and Torres Strait Islander peoples and other diverse communities have a presence and voice in the Australian media landscape. Providing a forum for debate and discussion is critical as Australia works through a number of significant issues for Aboriginal and Torres Strait Islander Australians such as constitutional reform and progress on Closing the Gap targets.

It is with great pride that SBS reflects the diversity of all Australians across all of its media platforms.

The technology and media landscape has changed substantially over the past four decades and today global media services are more accessible than ever. These changes provide both opportunities and challenges for SBS. On one hand it has meant that SBS, as a public broadcaster, is more readily able to engage directly with the communities it seeks to serve. On the other, the pace of change has pushed SBS to be more creative in generating engagement with these communities through digital media. Within this shifting media landscape, the need for SBS is now greater than ever before. SBS is an increasingly important voice in mainstream media that helps provide opportunities in sharing insights and understanding of Indigenous, migrant and other diverse communities' values and stories within a broader Australian context.

Developing and maintaining trust with audiences will continue to be a challenge for traditional media, social media and digital platforms. Independent, non-partisan public broadcasting delivers significant public benefits, particularly in a highly concentrated media landscape. SBS is one of Australia's most trusted news sources with a long-held and well-earned reputation for quality news and analysis on global events, especially issues across multicultural and Indigenous Australia<sup>6</sup>.

In delivering on our Charter, over the course of this four year plan SBS will continue to evolve its services to audiences to reflect these changes in both social composition and technological change.

## Regulatory Influence

Over the reporting period covered by this Corporate Plan, SBS's operations are likely to be impacted both directly and indirectly by regulatory change.

## Government Reviews & Triennial Funding

In March 2018, the Australian Government announced the terms of reference for an inquiry into Australia's national broadcasters the Australian Broadcasting Corporation (ABC) and SBS – to examine whether they are operating in a manner consistent with the principles of competitive neutrality. Competitive neutrality principles provide that government business activities should not enjoy net competitive advantages simply by virtue of their public sector ownership.

In June 2018, SBS lodged its 'Submission to the Inquiry into the Competitive Neutrality of the National Broadcasters', where it noted that within the Australian free-to-air market, SBS has the smallest audience share and smallest share of advertising. As stated in its submission, SBS is confident that it is aligned with competitive neutrality principles. Additionally, the views and opinions of SBS's audiences, stakeholders and the Australian community more broadly speak to the public value of SBS. Community feedback and engagement shows that SBS is delivering successfully on its Charter requirements and meeting the community's need for media diversity, especially those communities that SBS was principally established to serve. The review is expected to be completed in September 2018.

<sup>6</sup> Essential Research (2017), *Trust in Media*, accessed 6 August 2018, retrieved from: <http://www.essentialvision.com.au/trust-in-media-13>

A further review of the efficiency of the two national broadcasters was announced by the Government in May 2018. This review is expected to be completed in late 2018.

These reviews will likely conclude before the next SBS Triennial Funding Submission, which is due to be submitted to Government towards the end of 2018 for determination in the 2019-20 Budget cycle.

### **Broadcasting spectrum**

During the reporting period progress is expected on the development of a new legislative framework governing the allocation and management of radio frequency spectrum, replacing the *Radiocommunications Act 1992*.

A key element will be a simpler licensing scheme, which will involve broadcasters, including SBS, transitioning to new licence types over time.

### **Restrictions on gambling advertising**

In its May 2017 media reform package, the Government announced further restrictions on gambling advertising and promotions during live sports programs, which are intended to reduce the exposure of children to gambling advertisements.

SBS has amended its Codes to restrict gambling advertising during live sporting events during specified time periods on all of its platforms in accordance with Government policy. Since 30 March 2018, audiences have been able to lodge complaints directly with SBS about gambling advertising on SBS TV, radio and online services under the new rules.

In March 2018, the Government passed a Bill which empowers the Australian Communications and Media Authority (ACMA) to put in place rules for online content service providers, which will set out formal restrictions for gambling advertising on online platforms.

### **Access to sports rights (anti-siphoning scheme)**

The anti-siphoning scheme ensures that broadcast rights to sporting events of national and cultural significance are available to free-to-air television before subscription television. Subscription broadcasters are prevented from acquiring the rights to events placed on the anti-siphoning list—either until rights are acquired by a free-to-air broadcaster (such as SBS), or are automatically removed from the list prior to the event commencing.

In May 2017, the Government announced that it would:

- reduce the scope of the list to encourage increased competition between subscription and free-to-air broadcasters;
- remove a rule that prevents free-to-air broadcasters from televising events on their digital multi-channels only; and
- increase the time period out from broadcast that events will be automatically removed from the list—from 12 to 26 weeks.

If the announced reforms are implemented during the reporting period, SBS will be able to premiere listed events on digital multi-channels such as SBS VICELAND (rather than only on the main SBS channel). However, removal of certain events from the list, and earlier automatic de-listing of events, may impact SBS's negotiating position for those events.

# External Environment (cont)

## Support measures for Australian content

During 2017–18, the Department of Communications and the Arts, the ACMA, and Screen Australia conducted a review into support measures in place for the production and delivery of Australian and children’s screen content. At this point in time, the report has yet to be published. A number of Parliamentary Inquiries have also recently explored the Australian screen industry and the policy framework supporting the creation of Australian content.

As part of these reviews, SBS has indicated a desire to commission more Australian content, subject to funding.

Any reforms arising from these reviews are likely to directly affect SBS and independent producers commissioned by SBS, as well as the competitive environment for Australian content.

## Media ownership and control reforms

In September 2017, Parliament passed the *Broadcasting Legislation Amendment (Broadcasting Reform) Bill 2017*, repealing rules that previously prevented a person from controlling:

- commercial television licences that collectively reach in excess of 75 percent of the Australian population; and
- more than two of the three regulated forms of media (commercial radio, commercial TV and associated newspapers) in the one commercial radio licence area.

Passage of these reforms enables the consolidation of media entities which may affect SBS’s operating environment by creating bigger commercial competitors with greater overall reach.

In this context SBS’s role in providing distinctive content and services, including to migrant and Indigenous communities, continues to remain essential.

In securing support for the reform package, the Government agreed to a range of additional measures, including a Regional and Small Publishers’ Innovation Fund, the Inquiry into the Competitive Neutrality of the National Broadcasters, and the introduction of legislation to require the ABC and SBS to report details of annual salaries and allowances of its employees, and amounts paid to ‘on-air talent’, in excess of \$200,000.

## Market Influences

Over the past several years SBS has seen significant changes unfold within the external market environment in which SBS operates. The changes and trends observed are consistent with those seen in overseas markets and SBS anticipates that current trends will continue over the next planning cycle, with some potential acceleration as audiences embrace new content distribution models.

## Audiences

Traditional linear broadcast TV continues to represent the majority of video viewing in Australia. At the same time, Australians continue to evolve and expand the ways that they consume and engage with content.

### Observations

- While the penetration rates of new consumer technologies have slowed, the rate of audience fragmentation across both broadcast and IP-delivered platforms is expected to increase, with 6.6 screens on average per Australian home<sup>7</sup>.
- While free-to-air television will continue to have the largest share of video consumption, the shift to digital will accelerate as content options on alternate platforms continue to improve and the familiarity and acceptance of those platforms increase. Live primetime viewing in particular will continue to be affected as video consumption increasingly shifts to playback, IP-delivered content and other screen usage.

<sup>7</sup> OzTAM (2018), *Australian Video-Viewing Report Q4 2017*, accessed 6 August 2018, retrieved from: <http://www.oztam.com.au/documents/Other/AVVR-Q4-2017-Med%20Res%20Final.pdf>

- Smart TVs, connected gaming consoles and portable devices have changed the way Australians are consuming media, driving increasing non-linear consumption such as gaming, on demand video, internet browsing and music streaming.
- Smartphones and tablets will continue to evolve as important platforms for discovery and engagement with audio and video content. Currently, Australian audiences aged 18 and older spend 21.6 hours a month consuming content on their computers, smartphones and tablets<sup>8</sup>. As Australian internet infrastructure improves and connected devices become more powerful, SBS anticipates the consumption of media on portable devices will continue to increase.
- Younger audiences lead the charge in adopting new technologies and alternative modes of content consumption. The uptake and use of social media has broadened significantly across age demographics, and will become increasingly mainstream for content distribution and advertising across all age groups as audiences utilise aggregation services and platforms to consume content.
- In December 2017 the Australian Competition and Consumer Commission (ACCC) was directed to conduct an inquiry into digital platforms, including social media platforms, digital search engines and other digital content aggregation platforms. The inquiry will review the effects these platforms have on competition in the media and advertising services markets.

### *Implications*

- Cross-platform content distribution is crucial to the success of content discovery and consumption. In delivering digital media services in line with its Charter, SBS has accelerated its investment in digital media content. This will continue over the next planning cycle, with a particular focus on capitalising on the strength of the SBS On Demand player as a core distribution platform with an enhanced user experience.
- SBS will continue to acquire and commission distinctive content to educate, entertain and inform all Australians, in line with its Charter.
- SBS will continue to focus on content distribution strategies including social media to improve its reach and engagement, particularly with younger audiences.
- The distribution of content via online technology and social platforms may limit the commercialisation of certain content for media operators, placing greater emphasis on designing new and additional strategies around digital inventory and advertising. There is also the potential for regulatory change resulting from the ACCC's digital platforms inquiry to affect the delivery platforms in the medium term.
- The ability to promote and capitalise on flagship SBS events which captivate large audiences will also play an increasingly important role in defining SBS's brand. SBS will continue to focus on creating impact via SBS events, to strengthen the relationship it has with the community.

### **Competitive**

#### *Observations*

- There is increasing competition amongst commercial free-to-air broadcasters and subscription services (cable and over-the-top) whose business models are geared to global reality formats and live sports, in pursuit of acquiring and retaining large scale audiences.
- Subscription services, both 'cable' and 'over-the-top', will increasingly buy out first-run windows and streaming rights of niche and cult programming in order to retain audiences on their platforms with deep libraries of content.

# External Environment (cont)

- Following the launch of a number of significant over-the-top digital content providers and the entry of global players in recent years, the period from 2018 – 2022 will be one of significant change as this part of the market goes through a period of further growth and consolidation. On 26 July 2018, Nine Entertainment and Fairfax Media announced an agreement to merge to create an integrated media company. The proposed merger is subject to shareholder and regulatory approval and if approved, is expected to complete by the end of 2018.
- Competition in the paid-for television environment will intensify as the incumbent provider builds greater flexibility into its offering and looks to differentiate through sports content, in order to defend and grow its subscriber base against the new global and domestic over-the-top providers.
- The relative value of access to free-to-air spectrum as a competitive advantage will continue to diminish as consumption of digital content continues to grow. This has been reflected in recent changes to the licence fee and spectrum pricing structures applicable to commercial free to air broadcasters.

## *Implications*

- SBS will continue its investment in local commissions that are uniquely Australian and aligned with its Charter. It intends to continue the legacy of commissioning high quality content which is thought-provoking, ambitious and which promotes social cohesion.
- SBS is able to differentiate itself through its unique positioning in the Australian media landscape to seek out content collaborations with organisations and communities.
- As the competitive advantage of access to free-to-air spectrum declines, SBS will build on the value of its digital properties and quality distinctive content so that it remains accessible and relevant to all Australians in the digital era.

## Financial Context

### Government Revenue

#### *Observations*

- The latest triennium outcome, outlined in the May 2016 Budget, approved an additional \$8.3m over the period FY2016-17 to FY2018-19, or approximately \$2.8m per annum. This represented a reduction of \$11.7m in operational funding over the triennium (compared to the \$20m of funding provided in the previous triennium FY2013-14 to FY2015-16).
- SBS continues to deliver the \$25.2m in “back of office” savings as outlined in the 2014 Lewis Review.
- SBS has received supplementary funding to compensate for foregone revenue which would have arisen from increased advertising flexibility, including most recently \$8.7m for 2018-19. This follows the withdrawal of the *Communications Legislation Amendment (SBS Advertising Flexibility) Bill 2017* in May 2017, and the defeat of the *Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015* in Parliament.
- SBS will continue to make a strong case for ongoing and sustainable levels of Government funding including through its next Triennial Funding Submission, to ensure the continued delivery of its valued services to the Australian community.

#### *Implications*

- SBS is committed to ensuring that the content which it produces reflects its Charter, and continues to do so in a cost-effective manner.
- SBS’s unique position of having a hybrid funding model means that commercial returns may be channelled back into curating Charter content, while continued Government funding support allows for stability and long-term creative ambitions to be realised.

## Own-source revenue

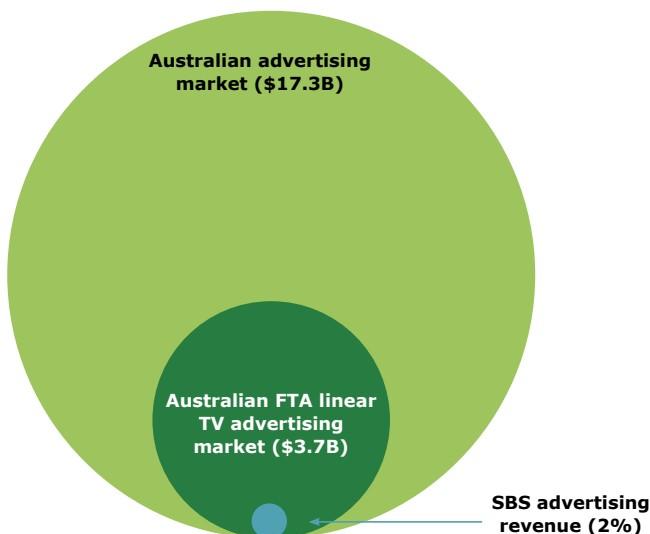
### *Observations*

- Consumer marketing investment on traditional broadcast platforms will move with audiences as they shift their consumption to digital platforms.
- With marketing expenditure shifting out of television and into online platforms, there is a modest negative growth forecast for broadcast advertising revenues predicted by most industry research companies over the period of this Corporate Plan.
- In terms of advertising revenue, SBS is small within the Australian free-to-air television advertising market. As demonstrated in Figure 1, SBS currently has an approximate 2% share of the free-to-air market, and a much smaller share of the overall free-to-air television and online advertising market.
- Online video, social platforms, mobile and search will experience strong growth in advertising revenue as these channels allow more targeted messaging.

### *Implications*

- The shift of marketing investment away from broadcast advertising will affect SBS's own source television advertising revenue over the period of this Corporate Plan.
- SBS will continue to invest in its digital advertising capabilities to capitalise on the growing shift to digital content. This will include investing to grow SBS On Demand and other digital properties to maximise the value of online inventory.
- It is also important that SBS continues to build on existing and new partnerships to ensure consistent growth of advertising inventory across all platforms.
- In the event that the decline in broadcast revenues accelerates or that the margins in digital advertising reduce, SBS will be increasingly reliant on government funding.

**Figure 1:** SBS and the Australian advertising market



Source: The Australian Entertainment & Media Outlook 2018-22 (PWC) and SBS internal data. PWC forecasts for advertising market revenue relate to CY17, SBS advertising revenue relates to FY17.

# External Environment (cont)

## Cost Considerations

### *Observations*

- Competition for quality content across an increasing number of platforms will drive up acquisition costs.
- Increased competition from new entrants in the Australian media landscape, particularly over-the-top providers and new digital platforms, is driving up competition for quality content. This includes competition for premium international content as new digital platforms seek to acquire global rights.
- There is increased competition from telecommunication companies such as Optus and Telstra as they seek to aggressively push into more content provision services including sport, placing upward pressure on the cost of content rights.
- Attracting strong talent with commercial and digital experience will put upward pressure on our human resource cost-base as these roles are in high demand across industries.
- With these external forces putting upward pressure on our largest cost categories (content and employees) there will be even greater emphasis on ensuring SBS's support and back-office functions are delivered as effectively and efficiently as possible.

### *Implications*

- An increased number of content players in the market provides added opportunities for SBS to collaborate with other organisations, e.g. such as with the Optus EPL and World Cup 2018 deal, delivering large audience numbers whilst lowering the cost to reach such audience numbers.
- There are also increased opportunities for SBS to engage in co-productions with content suppliers to provide distinctive quality commissioned content at reduced cost.
- While the cost of strong talent with commercial and digital experience may be higher, the discovery of new talent through digital channels may be more effective and efficient than via traditional methods.
- SBS will continue to identify and deliver further efficiencies within its operations. The pressure to be cost-aware helps drive the continuous improvement of existing methods of delivery across the whole organisation. As a lean organisation, SBS is suitably structured to transform itself to overcome external pressures to deliver content in the most efficient and effective manner.

# Planned Performance

## Significant Activities

The following activities and goals cover the planning period spanning 2018-19 to 2021-22.

The operations of SBS can be broken down into four key activities, all of which contribute to SBS delivering on its Charter and achieving its purpose:

***“SBS inspires all Australians to explore, respect and celebrate our diverse world and in doing so, contributes to a cohesive society”***

These activities are:

- Content creation, acquisition and curation;
- Content broadcast, technology and transmission;
- Content commercialisation; and
- Content support activities

Table 1 describes these activities in more detail.

**Table 1: SBS’s significant activities**

Significant activity	Description
<b>Content creation, acquisition and curation</b>	Commissioning, in-house production, acquisition and curation of content for the following platforms: <ul style="list-style-type: none"><li>– Broadcast television</li><li>– Broadcast radio</li><li>– Online content including digital (IP-based) delivery of on demand and live streaming video and audio content</li></ul>
<b>Content broadcast, technology and transmission</b>	Transmission of SBS’s created or acquired content via linear broadcast transmission and IP-delivered platforms. This also includes broadcast operations and broadcast technology and systems.
<b>Content commercialisation</b>	Commercialisation of SBS’s created or acquired content via a range of commercial activities which include: <ul style="list-style-type: none"><li>– SBS advertising media sales</li><li>– International and domestic content sales</li><li>– Subscription services and other commercial partnerships</li></ul>
<b>Content support activities</b>	The corporate and other back-office functions required to support the above significant activities. These include: <ul style="list-style-type: none"><li>– Enterprise-related IT</li><li>– Finance and accounting</li><li>– People and culture</li><li>– Legal</li><li>– Facilities maintenance (Corporate services)</li><li>– Corporate affairs</li></ul>

# Planned Performance (cont)

Figure 2 below provides a summary of SBS's strategic goals over the period covered by this Corporate Plan.

**Figure 2:** Summary of SBS's 4-year Strategic Goals

Our 4-year Strategic Journey (2018-19)						
<i>Purpose: SBS inspires all Australians to explore, respect and celebrate our diverse world and in doing so, contributes to a cohesive society</i>						
<b>1 Engaged Audiences</b>	 <p><b>'Deep audience engagement on all platforms'</b></p> <ul style="list-style-type: none"><li>Delivering on audience needs through a broad and deep audience understanding that informs our activities</li><li>Providing an excellent audience experience across all platforms to drive audience engagement and content consumption</li><li>Our Digital Acceleration Plan remains the key component of this pillar in 2018/19, with analytics essential to understanding our audience</li></ul>					
<b>2 Distinctive Network</b>	 <p><b>'Showcasing Australia's Diversity'</b></p> <ul style="list-style-type: none"><li>Exploring, respecting and celebrating diversity in all its forms is central to our content activities, especially via culturally and linguistically diverse content to our TV, radio and digital audiences</li><li>Engaging Australians through unparalleled and distinctive multicultural and indigenous stories</li><li>Having impact by raising awareness on key issues, challenging perceptions and creating the environment for meaningful discussion</li></ul>					
<b>3 Inspired Communities</b>	 <p><b>'It's all about our communities'</b></p> <ul style="list-style-type: none"><li>Activating, supporting and extending our content with key community groups and audiences</li><li>Partnering with our many communities to help tell their important stories</li><li>Identifying industry partnerships that improve the depth and breadth of SBS's community impact and contribute to a cohesive society</li></ul>					
<b>4 Great Business</b>	 <p><b>'Best in class operations'</b></p> <ul style="list-style-type: none"><li>As we are small within our industry, this is about being smarter, faster and better – continuing to reduce our cost base and cycle times</li><li>Best-in-class operational cost base, best-in-class operational process, with globally unique deals</li><li>Focusing on our core strengths, partnering with others in their areas of strength</li></ul>					
<b>5 Great People; Great Culture</b>	 <p><b>'I'm hearing great things about working at SBS'</b></p> <ul style="list-style-type: none"><li>It's how we will succeed – and what will help us to deliver the other four strategic pillars</li><li>Getting great people, giving them a great working environment and helping them to work together</li><li>Being a model employer in respect of a diverse and inclusive workplace</li></ul>					
<b>SBS Values</b>	<table border="1"><tr><td>We are audience obsessed</td><td>We are bold and brave</td><td>We embrace difference</td><td>We engage &amp; participate fully</td><td>We look out for one another</td></tr></table>	We are audience obsessed	We are bold and brave	We embrace difference	We engage & participate fully	We look out for one another
We are audience obsessed	We are bold and brave	We embrace difference	We engage & participate fully	We look out for one another		

This framework sets out the five focus areas for the organisation, over the course of this Corporate Plan. These focus areas will help SBS achieve its purpose by:

- Reaching more Australians with SBS's distinctive and compelling Charter content
- Building audience awareness, scale and engagement on our digital platforms to ensure our relevance as people increasingly consume content on these platforms
- Delivering “best in class” user experience for audiences on our digital platforms to improve audience engagement and loyalty
- Growing the share of funding that is invested into Charter content by increasing returns from commercial activities, while continuing to innovate and find better ways of conducting our existing operations
- Attracting and retaining the best people by making SBS a great place to work

## **1. Content Creation, Acquisition and Curation**

Content creation (covering in-house and commissioned content), acquisition and curation are at the heart of SBS's purpose. Through content delivered across all our platforms, SBS seeks to inspire a richer, more holistic understanding of our world and presents surprising perspectives in entertaining and innovative ways. SBS continues to lead the conversation about the big national and global issues which have an impact on all Australians, with a focus on unifying our diverse communities.

Through our core content activities delivered across all of our platforms we create and curate content for our audiences that:

- Inspires inclusivity and social cohesion
- Enriches and entertains
- Offers surprising perspectives
- Provokes with purpose

Content creation, acquisition and curation activities span a number of areas: SBS Television & Online, SBS On Demand, News and Current Affairs, Sport, Radio, National Indigenous Television (NITV), Social Media and Marketing.

### ***Intended results***

The fulfilment of SBS's purpose, **to inspire all Australians to explore, respect and celebrate our diverse world and in doing so, contributes to a cohesive society**, is predominantly realised through the distinctive and compelling content that SBS provides across its many platforms.

Through the content that our audiences consume and through our brand, SBS brings our Charter and purpose to life – across broadcast television and radio, online, and social media platforms.

We want our audiences to be inspired by a richer more holistic understanding of our world which we seek to achieve by presenting surprising perspectives in entertaining ways.

# Planned Performance (cont)

Over the course of this Corporate Plan, there are three major goals that our Content activities are focused on delivering:

1. A Distinctive Network
2. Engaged Audiences
3. Inspired Communities

Achieving these three goals would further enhance our reputation as Australia's multicultural and Indigenous broadcaster and affirm our ongoing contribution to Australia's success as a vibrant, diverse and cohesive society, while also securing our relevance in a fragmenting media market. In particular, a key focus for SBS in FY18-19 will be the ongoing implementation of the Digital Acceleration Plan to ensure that SBS continues to evolve with audience expectations and engagement patterns across our digital portfolio.

## *Delivery strategy*

In order to achieve these outcomes, SBS will look to:

- Deepen engagement with migrant and Indigenous communities to share their stories
- Accelerate investment in digital content, platforms and capabilities
- Invest in enriching content that is purposefully provocative and promotes social cohesion and has cross-cultural understanding at its core

## *Resourcing*

**Table 1.1:** Proposed resourcing of SBS's Content activities

Resources	FY18-19 Budget	FY19-20 Forward estimates	FY20-21 Forward estimates	FY21-22 Forward estimates
Expenditure (\$ millions)	189.7	184.2	180.5	182.5
People (Full time equivalent)	661.3	650.4	650.4	650.4

## *Performance measurement and assessment*

SBS currently uses a range of metrics across platforms to assess the distinctiveness and diversity of our content activities.

**Table 1.2:** Key performance assessment metrics – SBS Content activities

Key Performance indicator	FY18-19 Budget	FY19-20 Forward estimates	FY20-21 Forward estimates	FY21-22 Forward estimates
Number of hours of TV programming broadcast in CALD	9,000	9,000	9,000	9,000
Number of hours of locally commissioned programs broadcast (first run) on SBS <sup>9</sup> and SBS Viceland	80	80	80	80
Number of hours of locally commissioned programs broadcast (first run) on NITV	25	25	25	25
Percentage of radio broadcasts in languages other than English	86%	86%	86%	86%

<sup>9</sup> SBS main channel, previously SBS One.

## **2. Content Broadcast, Technology and Transmission**

The Content Broadcast, Technology and Transmission activities at SBS fall largely under the responsibilities of the Technology Division which encompasses the Enterprise Digital Services, Broadcast Operations, Transmission Services and Broadcast Technology & Systems teams. These teams ensure SBS achieves the most effective and efficient means to distribute its distinctive content across broadcast and online platforms to as many Australians as possible.

As audiences shift consumption increasingly to digital platforms, SBS will continue to find innovative ways to store, manage and publish content across all its platforms while also seeking to provide best in class user experience, automated content discovery and personalisation for its audiences.

### ***Intended results***

As audience consumption fragments across many devices, SBS can only be successful in the delivery of our purpose and Charter if the organisation migrates content to these platforms at the same pace, and uses these platforms to tell stories in innovative ways. The Technology Division helps to enable this shift to new devices, while cost-effectively maintaining our legacy broadcast activities.

Over the course of this Corporate Plan, the primary goals for SBS's Technology Division are to:

- Deliver SBS's technology needs in a cost effective manner
- Maintain reliable and available services to all audiences, across all platforms
- Produce innovative solutions to enhance audience experience, support SBS's needs, and enable SBS to adapt to the changing environment
- Provide technological solutions that support analytics and business intelligence
- Create a workforce that is appropriately skilled to meet the changing needs of SBS

Through broadcast and narrowcast distribution of content, SBS seeks to reach and engage as many Australians as possible with its Charter-relevant content.

The investment in Charter content will only inspire and effect change to the extent that we are able to reach audiences on the various broadcast and digital platforms that Australians use in their day-to-day media consumption habits.

Through innovative deployment of technology and the smart use of capability partners, SBS will seek to do this in a manner that is as efficient and cost-effective as possible.

### ***Delivery strategy***

To serve content to audiences effectively and efficiently, SBS is focused on the following delivery strategy over the course of this Corporate Plan:

- Continued investment in digital capabilities across a number of key initiatives
- Ensuring best practice is implemented to deliver content efficiently and effectively
- Delivering innovative and cost-effective solutions via new projects and initiatives that evolve the organisation in the face of a changing media landscape

# Planned Performance (cont)

## *Resourcing*

**Table 2.1:** Proposed resourcing of SBS's Content Broadcast, Technology and Transmission activities

Resources	FY18-19 Budget	FY19-20 Forward estimates	FY20-21 Forward estimates	FY21-22 Forward estimates
Transmission and Distribution Expenditure (\$ millions)	73.8	73.7	75.0	76.4
People (Full time equivalent)	228.5	224.8	224.8	224.8

## *Performance measurement and assessment*

**Table 2.2:** Key performance assessment metrics – SBS Content Broadcast, Technology and Transmission activities

Key Performance Indicators	FY18-19 Budget	FY19-20 Forward estimates	FY20-21 Forward estimates	FY21-22 Forward estimates
Transmission and Distribution expenditure as % of total funding	19.1%	19.5%	20.0%	20.1%
Population reach – Digital transmission sites (including VAST Satellite)	100%	100%	100%	100%
Availability of digital television transmission services (fully managed services)	99.82%	99.82%	99.82%	99.82%
Population reach for terrestrial services (excluding satellite)	97%	97%	97%	97%

## 3. Content Commercialisation

SBS's commercial activities include SBS Media Sales, subscription television business (World Movies), and SBS's Distribution business.

The primary purpose of SBS's commercial activities is to generate positive returns in order to reinvest in content for our audiences and marketing activities to support our content objectives.

### SBS Media Sales & Distribution

SBS Media Sales commercialises SBS content through the sale of advertising and sponsorships across all of our free-to-air TV, radio and digital channels. SBS Distribution extends the reach, brand and commercial returns of SBS content through content sales and distribution in domestic markets. The business unit has in recent years expanded its business model to encompass the 'Cultural Competence Program' to provide organisational-based training focused on cultural awareness, competencies and events.

## **Subscription Television Business**

SBS's subscription television business unit manages and develops commercial partnerships with third party platforms to utilise SBS expertise in curating diverse content and extending the reach of valuable SBS brands. The principal activity is the provision of World Movies branded collections of curated international and art house movies to third party Video On Demand (VOD) platforms. These movies are sourced from multiple distributors across the globe. World Movies branded destinations are available on a range of Foxtel platforms offering VOD programming and the Stan Subscription VOD service.

### *Intended results*

SBS's content commercialisation activities have one overarching goal - to maximise the contribution from their activities in order to reinvest funds into distinctive and compelling Charter content and to maintain or improve the quality of our services to Australian audiences.

Through the breadth of its commercial activities, SBS also seeks to lengthen the life of its distinctive content and broaden the reach of SBS's brand.

As the traditional free-to-air advertising model comes under increasing pressure, over the course of this Corporate Plan period SBS's commercial activities will seek to:

- Maximise the financial returns on available inventory while maintaining competitive pricing on each of SBS's free-to-air channels and across the different metro and regional markets, in line with the restrictions on the amount of advertising permitted on SBS broadcast services
- Deliver above-trend television advertising sales growth
- Significantly grow online revenues consistent with market growth and content investment
- Grow or maintain margins in legacy distribution businesses while investing for growth in emerging business models
- Evolve SBS's offering in the paid-for content space to reflect shifting audience consumption patterns and the changing shape of the VOD and subscription television market in Australia

### *Delivery strategy*

Our delivery strategy across our commercial activities focuses on the following:

- Offering a premium and dynamic brand and audience proposition to direct and agency advertising clients
- Deepening relationships with existing and new clients, with a consistent approach to national and interstate opportunities
- Building on our current digital and audience data capabilities to broaden commercialisation opportunities, including growth from digital trading desks
- Continuing to review operational processes and systems to ensure best practice, and to factor in trends towards increased automation
- Ensuring we attract and retain the best staff to continuously improve on the delivery of our strategy and build the desired team culture

# Planned Performance (cont)

## *Resourcing*

**Table 3.1:** Proposed resourcing of SBS's Content Commercialisation activities

Resources	FY18-19 Budget	FY19-20 Forward estimates	FY20-21 Forward estimates	FY21-22 Forward estimates
People (Full time equivalent)	147.8	145.3	145.3	145.3

## *Performance measurement and assessment*

**Table 3.2:** Key performance assessment metrics – SBS Content Commercialisation activities

Key Performance indicator \$ millions	FY18-19 Budget	FY19-20 Forward estimates	FY20-21 Forward estimates	FY21-22 Forward estimates
Own-source revenue	104.8*	93.8	91.0	91.6

Note: \*includes 2018 FIFA World Cup revenue

## 4. Content Support Activities

SBS's support activities encompass the back office functions that support SBS's primary content, distribution and commercial activities. These functions include human resources and organisational development, corporate affairs, legal, corporate services and finance. Some of the key deliverables across SBS content support activities include:

- Developing people capabilities and facilitating employee performance management processes
- Managing community, government and industry stakeholder relationships
- Managing finance and accounting functions
- Developing SBS's corporate strategy and managing the organisation's planning process
- Managing SBS's risk management frameworks and processes
- Maintaining SBS's building infrastructure and developing strategies to meet SBS's long-term physical accommodation needs
- Delivering SBS's corporate and back of house functions using the most effective and efficient models

## *Intended results*

In support of key strategic goals, SBS's content support activities seek to:

- Identify and establish effective operational partnerships that
  - ensure the most efficient balance between in-house and outsourced capability
  - allow SBS to focus on the core activities of content and commercialisation
- Utilise a proactive and responsive approach to support the organisation in an innovative manner
- Continuously find ways to deliver a more efficient and effective operating model for SBS
- Ensure that SBS maintains appropriate funding levels that enable it to deliver on its Charter in an efficient manner

- Deepen community, industry and Indigenous stakeholder relationships and form partnerships to deliver targeted projects that increase the public value of SBS
- Maintain high staff engagement to promote a productive, well trained and happy workforce, with a focus on succession and talent planning

#### *Delivery strategy*

In order to achieve the above results, SBS content support activities will seek to:

- Facilitate the development of core management and leadership capabilities
- Manage and enhance relationships across all levels of government, demonstrating the relevance and value of SBS to political stakeholders and securing government funding
- Extend engagement with communities on a national scale, including through Outreach activities
- Lead the implementation of best in class risk management processes and frameworks
- Help to ensure that the allocation of resources matches the achievement of our purpose and the organisation's strategic goals
- Create a workforce that is appropriately skilled to meet the changing needs of SBS and delivers exceptional service
- Make SBS a great place to work for all employees

#### *Resourcing*

**Table 4.1:** Proposed resourcing of SBS's content support activities

Resources	FY18-19 Budget	FY19-20 Forward estimates	FY20-21 Forward estimates	FY21-22 Forward estimates
People (Full time equivalent)	111.4	109.6	109.6	109.6

#### *Performance measurement and assessment*

**Table 4.2:** Key performance assessment metrics – SBS content support activities

Key Performance Indicator	FY18-19 Budget	FY19-20 Forward estimates	FY20-21 Forward estimates	FY21-22 Forward estimates
Content support activities – share of total operating expense (%, including transmission)	10%	10%	10%	10%
Content support activities – share of total FTEs (%)	10%	10%	10%	10%



*Craig Foster and Lucy Zelic, FIFA World Cup 2018*

# Summary Financial Performance

A summary of SBS's financial performance over the period covered by this Corporate Plan is outlined in the table below.

**Table 5:** SBS Summary Financial Forecast (FY18-19 to FY21-22)

Forecast of Financial Performance \$ millions	FY18-19 Budget	FY19-20 Forward estimates	FY20-21 Forward estimates	FY21-22 Forward estimates
<b>Revenue</b>				
Own-source revenue	104.8	93.8	91.0	91.6
Government Appropriation	281.7	284.7	284.1	289.2
<b>Total Revenue</b>	<b>386.5</b>	<b>378.5</b>	<b>375.0</b>	<b>380.8</b>
Operating Expenditure	312.3	304.3	299.5	303.9
Transmission and Distribution Expenditure	73.8	73.7	75.1	76.4
<b>Total Operating Expenditure</b>	<b>386.0</b>	<b>378.0</b>	<b>374.5</b>	<b>380.3</b>
Operating Surplus	0.5	0.5	0.5	0.5
Assessment of Taxes and Charges Payable	7.8	7.5	7.5	7.6
<b>Capital Expenditure</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>



*Who Do You Think You Are? – Charlie Teo*

# Capabilities

## People

Now more than ever, our people are critical to our success as an organisation. At SBS we have continued our journey towards putting people, our greatest asset, at the heart of who we are as an organisation. There are a number of market trends that will affect SBS's workforce over the four year period of this Corporate Plan, including:

- Competition for securing and retaining talented employees
- Meeting modern workforce expectations including demand for flexibility, focus on workplace wellness/wellbeing and improved work-life balance
- The increasing pressures to maintain and improve employee engagement
- Increasing expectations to receive a great employee experience throughout the employee lifecycle
- Generational issues that will drive a change in how, where and why we work

In a media environment where industry convergence is facilitated by IP-delivered platforms, yet audiences increasingly fragment across these platforms, there are some human resource capability challenges that are particularly relevant:

- A shift away from skills that are largely platform and function specific, to those that are platform and function agnostic
- Achieving the right balance of technical expertise, project management skills, change management and general management capabilities
- Detailed and in-depth understanding of the audience, external environment and ever-changing market dynamics
- Content and product innovation capabilities

Adding to the above challenges, SBS must compete with new and traditional media players in a funding environment that is limited, and with restrictive workplace frameworks that can impact on SBS's ability to attract and retain talent.

Over the course of this Corporate Plan, SBS will pursue strategic goals that seek to:

- Provide an environment that ensures the safety and wellbeing of our people
- Develop and maintain an employee brand and value proposition that is distinctive and that assists in attracting and retaining talent
- Provide outstanding customer service that supports and enables our business stakeholders to achieve their goals
- Continue a dedicated focus on employee engagement, given the relationship between engagement and business outcomes. In recent periods, SBS has achieved significant improvements and strong results with respect to employee engagement
- Build digital capabilities across our leadership teams and the broader SBS organisation
- Drive high levels of employee engagement through a focus on quality and high impact employee experiences
- Establish SBS as an industry leader in effective workplace diversity and inclusion

# Capabilities (cont)

Our key initiatives which will help deliver the goals above include:

- Developing digital talent initiatives that increase the existing digital capabilities of the workforce and bring new talent to the organisation
- Continuing our focus on leadership development with a renewed focus on front line and middle leaders
- Continuing our focus on culture and values, to increase employee engagement and ensure productivity and discretionary effort is maximised
- Continuing to drive technological and operational simplification to ensure a positive employee experience
- Developing and maintaining talent pools through targeted recruitment and development strategies in key focus areas, including digital and technology talent
- Developing and implementing the SBS Diversity & Inclusion plan, including a focus on Indigenous recruitment
- Ensuring that all employees maintain a strong focus on work health and safety arrangements
- Implementing a revised employer brand and employee value proposition

## Technology

As the media consumption of audiences fragments across an increasing array of devices, media companies need to provide a seamless experience that offers a consistent look and feel while delivering a tailored content offering for each user. As audiences become increasingly digital in their consumption habits, media companies will also need to use audience intelligence and understanding to offer mass customisation and personalisation of the user experience.

In order to deliver a premium user experience, SBS will have to further expand capabilities in the following areas over the coming four year period:

- Audience intelligence and insights
- Cross-platform content management
- Metadata management
- Mass customisation and personalisation of digital services

In order to establish these technological capabilities in a cost effective manner, SBS will seek to implement solutions that strengthen existing technology foundations, while utilising:

- ‘Off the shelf’ products, which ensure SBS is not re-inventing the wheel and can access ‘best of breed’ technology
- Open-source technology for in-house development, which allows access to a larger pool of competitive labour and lowers total cost of ownership



The Ghan



*Homecoming Queens*

# Risk Management

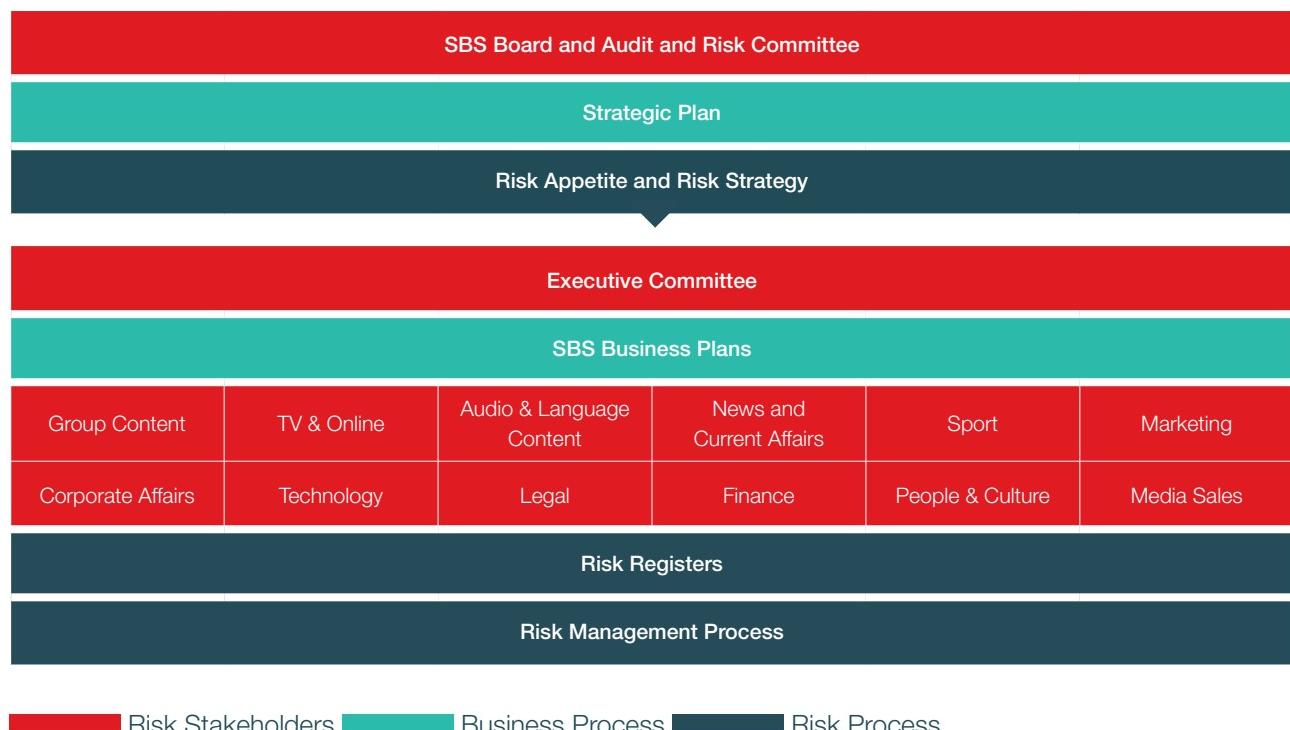
SBS's Risk Management Framework (RMF) provides a holistic approach to risk management that promotes an integrated and informed view of risk exposures across SBS. The framework is designed to manage risk and provide assurance that risks are being managed within the risk appetite established by the SBS Board of Directors.

The RMF is the total aggregation of systems, structures, policies, processes and people within SBS that identify, assess, control, and monitor all sources of risk that could have an impact on SBS and its ability to deliver its strategy. A holistic view of both short and long term risk across the 2018-2019 period and for the 4 year period covered by this plan is considered by SBS under this framework. The desired result of the framework is to provide management with:

- A strong frame of reference for strategy setting and decision making
- An integrated framework to effectively manage uncertainty and obligations, respond to risks, as well as capitalise on opportunities as they arise
- The ability to manage risks across SBS by providing accurate and timely reporting on the profile of risks and controls
- Minimum standards for the governance, processes and tools required to administer the requirements of SBS's Risk Management Strategy

Figure 3 summarises the RMF.

**Figure 3:** SBS Risk Management Framework



# Risk Management (cont)

The Board approves the organisation-wide risk appetite statements that provide the frame of reference for strategy setting and decision making. Figure 4 illustrates the risk appetite for SBS's material classes of risk.

**Figure 4:** Summarised risk appetite statement

Risk Appetite Range				
No/Low Appetite	Limited Appetite	Moderate Appetite	Moderate to High Appetite	High Appetite
<b>Strategy and Planning –</b> Corporate Strategy  <b>HR</b> – Health and Safety (non-assignment)  <b>Finance, Accounting and Tax</b>  <b>Governance, Risk and Compliance</b>  <b>Brands and Content –</b> Commissioning of Content  <b>Brands and Content</b> – Expansion of Content  <b>IT</b> – Transmission Continuity	<b>Strategy and planning –</b> Industry Partnership and Outsourcing  <b>Brands &amp; Reputation –</b> Independence  <b>Production</b>  <b>HR</b> – Health and Safety (on assignment)  <b>IT – Security</b>  <b>IT – Financial System</b>	<b>Stakeholder Management –</b> Government & Community  <b>Brand and Reputation –</b> SBS Brand  <b>Brand and Content</b> – Exploitation of Content (Brand Placement)  <b>Content Distribution</b> – Rights  <b>IT – Internal Systems and Infrastructure</b>  <b>Legal</b>  <b>Development and Production</b> – Production  <b>Content Distribution –</b> Digital Platforms	<b>HR – Talent and Capability</b>	<b>Development and Production –</b> Development  <b>Brands and Content –</b> Acquisition of Content
Philosophy Towards Risk Taking				
SBS accepts as little risk as possible	SBS takes a cautious approach towards taking risk	SBS takes a balanced approach to risk taking	SBS takes a higher level of risk for increased benefit	SBS takes an aggressive approach towards taking risk as it is considered core to SBS' strategy and purpose
Preferred Risk Treatment Approach				
Those risks that cannot be effectively treated or transferred are avoided	Preference to avoid risk or transfer it to an outside party or use secondary mechanisms	There is no preference and the risk treatment will be considered depending on the context and benefit to SBS	Preference to accept or reduce risk through internal measures	Risk is accepted as much as the Charter/Act permits

During the course of the strategic planning cycle and the development of the annual business unit operating plans, the risks are reviewed and assessed against the Board-approved risk appetite statements. An internal audit plan for the following 12 months along with the broader governance, mitigation and assurance mechanisms are developed to a significant extent from this risk assessment process.

The SBS Audit and Risk Committee receive regular reports on the management of the identified “highest risks” facing SBS, with identification of risks allowing redirection or refocusing of resources to address key issues.

SBS has identified the top three risks facing the organisation in this reporting period:

***Loss of audience or relevance***

There is a risk that SBS suffers from a loss of audience and/or relevance with audiences. SBS is ensuring that it prevents a sustained fall in audience share or relevance by building capabilities to better understand community behaviours and preferences, both TV and Online, and tailoring programming suitable to its audiences and Charter.

***Competition for acquired programming***

There is a risk of increased costs and/or an inability to purchase quality programs affecting the quality of SBS’s schedule, due to increased competition from multi-channels, traditional subscription TV operators and increasingly from over the top content services (e.g. Netflix, Stan) or sole language broadcasters. Content is crucial in delivering on SBS’s services and purpose, distinctiveness and relevance. There is also an associated risk of a decrease in audience leading to a decline in advertising revenue.

***Organisation Capability***

From an organisational capability perspective, there is a risk related to being unable to access the appropriate required skill sets. This encompasses recruitment, and upskilling activities, along with employee retention and the risk of losing key personnel, including personnel with sought after digital skills.

# Appendices

## Appendix 1: The SBS Charter

The SBS Charter, contained in Section 6 of the *Special Broadcasting Service Act 1991* (SBS Act), sets out the principal function of SBS and a number of duties it has to fulfil in performing its principal function. It states:

The principal function of the SBS is to provide multilingual and multicultural radio, television and digital media services that inform, educate and entertain all Australians, and, in doing so, reflect Australia's multicultural society.

The SBS, in performing its principal function, must:

- (a) contribute to meeting the communications needs of Australia's multicultural society, including ethnic, Aboriginal and Torres Strait Islander communities; and
- (b) increase awareness of the contribution of a diversity of cultures to the continuing development of Australian society; and
- (c) promote understanding and acceptance of the cultural, linguistic and ethnic diversity of the Australian people; and
- (d) contribute to the retention and continuing development of language and other cultural skills; and
- (e) as far as practicable, inform, educate and entertain Australians in their preferred languages; and
- (f) make use of Australia's diverse creative resources; and
- (g) to the extent to which the function relates to radio and television services – contribute to the overall diversity of Australian television and radio services, particularly taking into account the contribution of the Australian Broadcasting Corporation and the community broadcasting sector; and
- (h) to the extent to which the function relates to radio and television services – contribute to extending the range of Australian television and radio services, and reflect the changing nature of Australian society, by presenting many points of view and using innovative forms of expression.

## Appendix 2: Role and Duty of the SBS Board

The role and duties of the SBS Board are set out in sections 9 and 10 (1) of the SBS Act. The SBS Board is committed to fulfilling its duties as set out in the SBS Act and it does so through well-established corporate governance processes.

- The SBS Board holds regular meetings throughout the year, providing Board members with an opportunity to obtain detailed information about management and operational issues, and to make key decisions regarding the Corporation. The Board receives a comprehensive suite of reports, and members of the SBS Executive attend Board meetings as required to answer questions and provide insight into activities, programming policies, management decision making, and the efficiency and effectiveness of the Corporation.
- The SBS Codes of Practice are developed by the Corporation, in consultation with the Board Codes Review Sub-committee, and approved by the Board. The SBS Codes of Practice set out the principles and policies SBS uses to guide its programming. Compliance with the Codes of Practice is monitored by the Board at its regular meetings. The SBS Codes of Practice are notified to the Australian Communications and Media Authority in accordance with s10(1)(j) of the SBS Act.
- Guidelines on advertising and sponsorship matters are developed by the Corporation and approved by the Board as part of the SBS Editorial Guidelines. The SBS Codes of Practice and the Editorial Guidelines set out SBS's guidelines on advertising and sponsorship and the placement of breaks in SBS television and radio services.

- The Audit and Risk Committee provides independent assistance to the SBS Board on the Corporation’s risk, control and compliance framework, and its external accountability responsibilities. Through the Audit and Risk Committee, the Board is able to monitor the Corporation to ensure that it does not contravene or fail to comply with applicable legislative obligations.
- The Board has representation on the SBS Community Advisory Committee, which is established under section 50 of the SBS Act. The Community Advisory Committee meets several times a year to discuss issues of relevance to SBS and to give advice, raise community concerns and provide feedback on programming and projects to the SBS Board.

Consistent with its duties, the Board undertakes other activities as required, such as submitting annual reports to Government regarding compliance with the *Public Governance, Performance and Accountability Act 2013*; considering relevant statements of policy furnished by Government; and considering and approving broader SBS strategies such as those contained in the SBS Corporate Plan.

### **Appendix 3: Community Consultation Measures**

Under Section 50 of the SBS Act, the Board must establish a Community Advisory Committee to assist the Board to fulfil its duty under paragraph 10(1)(g)—the Community Advisory Committee does this by advising the Board on community needs and opinions, including the needs and opinions of small or newly-arrived ethnic groups, on matters relevant to the Charter.

In addition to the Community Advisory Committee, SBS management has established a number of additional processes to ensure that it is aware of, and responsive to, community needs and opinions (including the needs and opinions of small or newly arrived ethnic groups) on matters relevant to the Charter. These include, but are not limited to, the following:

- Forums around Australia involving key community stakeholders from multicultural and Indigenous communities, together with SBS Board members and Executives
- Evolution of the activities associated with SBS’s Inspired Communities focus area, to respond to the changing needs of our communities, their improved access to content due to technology, and the ambitions and changing role of partner and peer organisations
- Receiving feedback via SBS Radio’s in-language broadcasting activities
- Content-related outreach activities
- Involvement in community programs and partnerships with multicultural and Indigenous stakeholders
- Regular qualitative and quantitative audience research into SBS programming





Safe Harbour



**SBS Australia**  
14 Herbert Street,  
Artarmon, NSW 2064  
[www.sbs.com.au](http://www.sbs.com.au)